

**Venture Capital Schemes – A Summary of the Tax Breaks**

	<b>SEIS</b>	<b>EIS</b>	<b>SITR</b>	<b>VCT</b>	<b>Social VCT</b>
<b>Upfront Income Tax Relief</b>	<p>50% – ITA 2007 s 257AB(3).</p> <p>Must subscribe for shares and claim relief – ITA 2007 ss 257AA, 257AB(1).</p> <p>Annual limit £100,000 – ITA 2007 s 257AB(2).</p> <p>Carry back available – ITA 2007 s 257AB(5).</p> <p>Holding period 3 years – ITA 2007 ss 257FA, 257AC.</p>	<p>30% – ITA 2007 ss 158(2A).</p> <p>Must subscribe for shares and claim relief – ITA 2007 ss 157, 158(1).</p> <p>Annual limit £1m – ITA 2007 s 158(2).</p> <p>Carry back available – ITA 2007 s 158(4).</p> <p>Holding period 3 years – ITA 2007 ss 209, 159(2), 256(1).</p>	<p>30% - ITA 2007 ss 257JA(2), (5).</p> <p>Must subscribe for shares/debt and claim relief (subject to rules on funds advanced without issuing a debt instrument) – ITA 2007 ss 257JA(1), 257KB, 257KL(1).</p> <p>Annual limit £1m – ITA 2007 s 257JA(2).</p> <p>Carry back available – ITA 2007 s 257JA(4).</p> <p>Holding period 3 years – ITA 2007 ss, 257R, 257KC.</p>	<p>30% – ITA 2007 s 263(2).</p> <p>Must subscribe for shares and claim relief – ITA 2007 ss 261, 263.</p> <p>Annual limit £200,000 – ITA 2007 s 262(3).</p> <p>Carry back not available.</p> <p>Holding period 5 years – ITA 2007 s 266.</p>	
<b>Dividend Relief</b>	No exemption.	No exemption.	No exemption.	<p>Tax free – ITTOIA 2005 s 709(1).</p> <p>Annual limit £200,000 – ITTOIA 2005 s 709(4).</p> <p>Shares can be bought secondhand.</p> <p>No holding period.</p>	
<b>CGT Exemption on Shares/Debt</b>	<p>Gains exempt – TCGA 1992 s 150E(2).</p> <p>Must subscribe for shares and claim upfront relief – TCGA 1992 ss 150E(2)(b), 150E(14), ITA 2007 s 257E.</p> <p>Holding period 3 years – TCGA 1992 s 150E(2)(a), ITA 2007 s 257AC(2).</p> <p>Losses allowable – TCGA 1992 s 150E(3).</p>	<p>Gains exempt – TCGA 1992 s 150A(2).</p> <p>Must subscribe for shares and claim upfront relief – TCGA 1992 ss 150A(10A), 150A(11), ITA 2007 s 201.</p> <p>Holding period 3 years – TCGA 1992 s 150A(2), ITA 2007 ss 159(2), 256(1).</p> <p>Losses allowable – TCGA 1992 s 150A(2A).</p>	<p>Gains exempt – TCGA 1992 s 255B(2).</p> <p>Must subscribe for shares/debt and claim upfront relief – TCGA 1992 ss 255B(2)(b), 255B(8), ITA 2007 s 257N.</p> <p>Holding period 3 years – TCGA 1992 s 255B(2)(c).</p> <p>Losses allowable – TCGA 1992 s 255B(3).</p>	<p>Gains exempt – TCGA 1992 s 151A(1).</p> <p>Annual limit £200,000 – TCGA 1992 ss 151A(2)(b), 151A(6), ITTOIA 2005 s 709(4).</p> <p>Shares can be bought secondhand.</p> <p>No holding period.</p> <p>Losses unallowable – TCGA 1992 s 151A(1).</p>	
<b>CGT Reinvestment Relief</b>	<p>50% of gain exempt (100% for 2012/13) – TCGA 1992 Schedule 5BB paragraphs 1(5), 1(5A).</p> <p>Holding period 3 years – TCGA 1992 Schedule 5BB paragraph 5.</p> <p>Must subscribe for shares and claim upfront relief – TCGA 1992 Schedule 5BB paragraphs 1(3)(a), 1(3)(b).</p>	<p>Gain deferred – TCGA 1992 Schedule 5B paragraphs 2, 3.</p> <p>Must subscribe for shares. No need to claim upfront relief – TCGA 1992 Schedule 5B paragraphs 1(1)(c), 1(2).</p>	<p>Gain deferred – TCGA 1992 Schedule 8B paragraphs 4 to 6.</p> <p>Must subscribe for shares. No need to claim upfront relief – TCGA 1992 Schedule 8B paragraph 1(1)(b), (c).</p>	Not available.	
<b>Loss Relief against Income (“Share loss relief”)</b>	<p>Loss relief for shares in unquoted trading companies under ITA 2007 s 131(2)(b).</p> <p>Must subscribe for shares.</p>	<p>Loss relief for EIS shares – ITA 2007 ss 131(2)(a), 151(1)(a), 201.</p> <p>Must subscribe for shares and claim upfront relief.</p>	<p>Loss relief for shares in unquoted trading companies under ITA 2007 s 131(2)(b).</p> <p>Must subscribe for shares.</p>	Not available.	
<b>Inheritance Tax Relief</b>	<p>Exempt provided shares are held for two years – IHTA 1984 ss 105(1)(bb), 106.</p>	<p>Exempt provided shares are held for two years - IHTA 1984 ss 105(1)(bb), 106.</p>	<p>Shares exempt provided they are held for two years - IHTA 1984 ss 105(1)(bb), 106.</p>	Not available.	